

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:  
Helical Dynamics, Inc.,**

**Case No. 04-31444  
NOTICE OF HEARING AND MOTION  
FOR APPROVAL OF STIPULATION  
FOR ADEQUATE PROTECTION**

**Chapter 11 Case.**

**Debtor**

---

**TO: THE DEBTOR, THE UNITED STATES TRUSTEE, AND OTHER PARTIES IN  
INTEREST AS SPECIFIED IN LOCAL RULE 9013.3.**

1. Helical Dynamics, Inc., (hereinafter referred to as "Debtor"), the Debtor-In-Possession in the above-referenced proceeding, moves the Court for relief and gives notice of hearing.

2. The Court will hold a hearing on the Debtor's motions at 11:30 a.m. on Monday, September 27, 2004, in Courtroom No. 228B, United States Courthouse, 316 North Robert Street, St. Paul, MN 55101, or as soon thereafter as counsel can be heard.

3. THE COURT MAY ALSO GRANT THE DEBTOR'S MOTION, INCLUDING APPROVAL OF THE THIRD STIPULATION BETWEEN THE DEBTOR AND GCI CAPITAL, INC. WITHOUT A FURTHER HEARING UNLESS AN APPROPRIATE OBJECTION IS INTERPOSED IN ACCORDANCE WITH THE RULES.

4. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§157 and 1334, Bankruptcy Rule 5005 and Local Rule 1070-1. This is a core proceeding. The case is now pending in this Court. This case was filed on March 11, 2004.

5. This motion arises under 11 U.S.C. §363(e), Bankruptcy Rule 4001-(e) and Local Bankruptcy Rule 9019-1.

6. Pursuant to applicable rules, the Debtor reserves the right to call employees and officers of the Debtor in support of this motion.

7. Prior to bankruptcy, the Debtor entered into a lease agreement with Dexxon Capital Corporation. GCI, located at, 14525 Highway 7, #370, Plymouth, MN 55427, is the successor to Dexxon Capital Corporation. The lease is, in fact, an installment sale contract in that the lease contains a purchase option which permits the Debtor to purchase the property from GCI at the conclusion of the Lease for the sum of \$1.00.

8. The Debtor and GCI have previously entered into a Stipulations which provided for adequate protection. By this Motion the Debtor seeks to amend the Stipulation and extend the time of the parties agreement. A copy of the Amended Stipulation between the Debtor and GCI is being filed contemporaneously. Copies of pre-bankrtupcy contracts are avialable from counsel for the Debtor upon request.

9. The Debtor alleges that its performance and payment according to the terms of the Stipulation constitute adequate protection of the interest of GCI.

**WHEREFORE**, the Debtor, through its undersigned attorney, respectfully moves the Court for an Order granting the Debtor's Motion to approve the Third Stipulation for Adequate Protection between the Debtor and GCI Capital, Inc.

Date: September 20, 2004.

/e/ Steven B. Nosek  
Steven B. Nosek, #79960  
Attorney for Debtor  
701 Fourth Avenue South, Suite 300  
Minneapolis, MN 55415  
(612) 335-9171

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:**

**Case No. 04-31444**

**Helical Dynamics, Inc.,**

**Debtor.**

**THIRD STIPULATION FOR  
ADEQUATE PROTECTION**

---

Helical Dynamics, Inc. ("Helical"), by its counsel, Steven B. Nosek of the Steven B. Nosek Law Office, and GCI Capital, Inc. ("GCI"), by its counsel, Joseph W. Lawver of Messerli & Kramer, P.a., hereby stipulate and agree as follows:

**RECITALS:**

1. On March 11, 2004, Helical filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, and this Court granted relief. A trustee has not been appointed, and the Debtor continues the operation of its business as a debtor-in-possession pursuant to 11 U.S.C. §1108; and

2. On March 17, 2004, Helical moved the Court on an expedited basis for approval for use of cash collateral and/or issuance of post petition financing; and

3. GCI objected to Helical's motion based upon the Debtor's failure to include payments for "adequate protection" pursuant to U.S.C. §363(e) and that the post petition financing failed to provide adequate protection pursuant to 11 U.S.C. §363(d); and

4. The parties resolved the objections of GCI by executing a Stipulation providing for adequate protection payments and wish, by this Third Stipulation to extend the adequate protection payments to be made to GCI by the Debtor;

**NOW, THEREFORE, IT IS STIPULATED AND AGREED:**

1. Debtor shall continue to make adequate protection payments to GCI for its use of equipment in the amount of \$14,352.00 per month, with said amounts payable on the 1st of each month for a period of three (3) months commencing in October of 2004.

2. Upon the failure by Debtor to make adequate protection payments or properly insure or maintain the equipment, which failure is not cured within five (5) business days after written notice of such failure is served by GCI on the Debtor and its counsel, GCI shall be entitled to an Order granting it relief from the automatic stay upon submission to the court an affidavit of continuing default.

3. The Court may enter an Order approving the terms of this Amended Stipulation.

Dated: September 20, 2004.

**MESSERLI & KRAMER, P.A.**

By: /e/ Joseph W. Lawver  
Joseph W. Lawver, #151269  
1800 Fifth Street Towers  
150 south Fifth Street  
Minneapolis, MN 55402-4128  
(612) 672-3600  
**ATTORNEYS FOR GCI CAPITAL, INC.**

Dated: September 20, 2004.

By: /e/ Steven B. Nosek  
Steven B. Nosek, #79960  
701 Fourth Avenue South  
Suite 300  
Minneapolis, MN 55415  
(612) 335-9171  
**ATTORNEY FOR DEBTOR**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:**

**Case No. 04-31444**

**Helical Dynamics, Inc.,**

**MEMORANDUM OF LAW**

**Chapter 11 Case.**

**Debtor**

---

Helical Dynamics, Inc., ("Debtor") asserts and reasserts the facts set forth in its Notice of Motion for Approval of the Third Stipulation for Adequate Protection filed contemporaneously herein.

Debtor has a contract with GCI Capital, Inc. GCI Capital, Inc. is the successor to Dexxon Capital Corporation. The contract was purportedly a lease, but in fact was an installment finance agreement as more particularly described in the Debtor's Motion.

GCI Capital, Inc. is entitled to adequate protection pursuant to 11 U.S.C. §361. The Debtor and GCI Capital, Inc. had stipulated to a adequate protection agreement as described in the Stipulation attached to the Debtor's Motion. Pursuant to 11 U.S.C. §361 and 11 U.S.C. §363(e), the Debtor requests that the Court grant the Debtor's Motion.

Date: September 20, 2004.

/e/ Steven B. Nosek  
Steven B. Nosek, #79960  
Attorney for Debtor  
701 Fourth Avenue South, Suite 300  
Minneapolis, MN 55415  
(612) 335-9171

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

**In Re:**

**Case No. 04-31444**

**Helical Dynamics, Inc.,**

**ORDER**

**Debtor.**

---

The Debtor's Motion for Approval of Third Stipulation for Adequate Protection came on for hearing before the undersigned United States Bankruptcy Judge on September 27, 2004. Appearances were noted in the record.

Based upon the files, pleadings and arguments of counsel:

**IT IS HEREBY ORDERED:**

1. The Debtor's Motion is GRANTED.
2. The Debtor is authorized to enter into and perform pursuant to the Third Stipulation between the Debtor and GCI Capital, Inc.

Dated: \_\_\_\_\_, 2004.

**BY THE COURT:**

By \_\_\_\_\_  
Gregory F. Kishel, Judge of Bankruptcy Court

UNSWORN CERTIFICATE OF SERVICE

I, Lori A. Adamson, declare under penalty of perjury that on September 15, 2004, I mailed by U.S. Mail, a copy of the following document:

1. Notice of Hearing and Motion for Approval of Stipulation for Adequate Protection;
2. Third Stipulation for Adequate Protection;
3. Memorandum of Law; and
4. Proposed Order.

to each entity named below at the stated address:

Helical Dynamics, Inc.  
3600 Holly Lane North  
Suite 10  
Plymouth, MN 55447

US Attorney  
600 Us Courthouse  
300 South 4th Street  
Minneapolis, MN 55415

MN Dept of Revenue-Coll. Enfnt  
551 BKY Section  
PO Box 64447  
St. Paul, MN 55164

IRS  
Special Procedures Branch  
316 N Robert Street Stop 5700  
St. Paul, MN 55101

IRS Office of Chief Counsel  
650 Galtier Plaza  
380 Jackson Street  
St. Paul, MN 55101

Securities & Exchange Comm  
BKY Section  
175 Jackson Blvd Suite 900  
Chicago, IL 60604

Citicorp Del Lease Inc.  
450 Mamaroneck Avenue  
Harrison, NY 10528

Minnesota Revenue  
600 North Robert Street  
Mail Station 6553  
St. Paul, MN 55146

Commercial Services Group, Inc.

Attn: Mike Berry  
11603 Shelbyville Road, Suite 3  
Louisville, KY 40243

Ruth E. Honkanen  
Foley & Mansfield  
250 Marquette Avenue, suite 1200  
Minneapolis, MN 55401

Small Business Administration  
Mr. Royce Nelligan  
100 North 6th Street, Suite 210C  
Minneapolis, MN 55403

The following were also served via facsimile as well as U.S. Mail:

US Trustee  
1015 US Courthouse  
300 South 4th Street  
Minneapolis, MN 55415  
**612-664-5516**

James A. Rubenstein  
Moss & Barnett  
90 South 7th Street Suite 4800  
Minneapolis, MN 55402-4129  
**612-339-6686**

GCI Capital Inc  
Joseph Lawver  
150 South 5th Street, Suite 1800  
Minneapolis, MN 55402  
**612-672-3777**

Expert Leasing  
4319 Cedarwood Road  
St. Louis Park, MN 55416  
**952-922-8766**

Executed on: September 20, 2004.

Signed:                     /e/ Lori A. Adamson                      
Steven B. Nosek Law Office  
Attorney for Debtor  
701 Fourth Avenue South  
Suite 300  
Minneapolis, MN 55415  
(612) 335-9171